

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2518 - SB 2529

March 2, 2022

SUMMARY OF BILL: Authorizes certain water utilities to enter into agreements with other water utilities to operate within their territory. Requires such water utilities to establish a method by which ratepayers may petition the utilities to consider entering into such agreements.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed legislation authorizes the following water utilities to enter into agreements with other water utilities to permit that other entity to operate within its service area:
 - Municipal water system;
 - Utility district;
 - Investor-owned water utility;
 - County water and wastewater system treatment authority;
 - County water system; and
 - County water authority.
- Authorizing water utilities to enter into such agreements codifies current practice among utilities that regularly engage in service area transfers and will not result in any significant impact to local government.
- Investor-owned utilities do not include state or locally owned utilities; therefore, no impact to state or local government.
- The proposed legislation requires the above water utilities to establish a method by which ratepayers may petition the utilities to consider entering into such agreements. It is assumed that water utilities can establish such a procedure utilizing existing staff and resources resulting in no significant impact to local government.
- As utilities regularly enter into service area transfer agreements, if a utility is petitioned by its ratepayers to consider entering into such agreements, it is assumed that water utilities can absorb any petition-related duties using existing staff and resources.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

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Assumptions:

- In regard to investor-owned water utilities, the proposed legislation would: (1) Authorize a utility to enter into agreements with other water utilities to permit that other entity to operate within its service area; and (2) Require a utility to establish a method by which the utility's ratepayers may petition the utility to consider entering into such agreements.
- It is assumed that investor-owned utilities regularly enter into such agreements already and will be able to establish a petition process for ratepayers using existing resources; therefore, the proposed legislation will not result in any significant impact to commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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